

AMENDED IN ASSEMBLY AUGUST 11, 2014

AMENDED IN ASSEMBLY JUNE 18, 2014

**SENATE BILL**

**No. 1195**

---

**Introduced by Senator ~~Padilla~~ Steinberg**

February 20, 2014

---

An act to amend Sections 955.1 and 3440.1 of the Civil Code, to amend Sections 63010, 63025.1, 63041.5, 63043, 63048.3, 63048.56, 63048.7, 63049.2, 63049.62, 64049.64, 63049.67, and 63071 of, and to repeal Article 4 (commencing with Section 63042) of Chapter 2 of Division 1 of Title 6.7 of, the Government Code, to amend Sections 331, 332.1, 337, 339, 341.5, 348, 349.5, 359, 364, 365, 369, 370, 371, 372, 374, 379, 394.5, 395, 399.2, 2827, 9600, and 9607 of, to repeal Sections 330, 335, 336, 338, 340, 341, 341.1, 341.2, 341.3, 341.4, 350, 355, 356, 361, 363, 367, 367.7, 368, 368.5, 373, 374.5, 375, 376, 390, 390.1, and 397 of, and to repeal Article 5.5 (commencing with Section 840) of Chapter 4 of Part 1 of Division 1 of, the Public Utilities Code, and to amend Section 31071.5 of the Streets and Highways Code, relating to electricity. *An act relating to elections, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1195, as amended, ~~Padilla~~ Steinberg. ~~Electrical restructuring.~~  
*State ballot pamphlet.*

*Existing law requires the Secretary of State, for each statewide election, to prepare and distribute a state ballot pamphlet describing each statewide ballot measure and containing other specified information. Existing law requires the Secretary of State to provide the state ballot pamphlets to county elections officials not less than 45 days before the election, and further requires that the state ballot pamphlets*

*be mailed to voters commencing not less than 40 days before the election. In addition, existing law requires that the Secretary of State furnish a copy of the state ballot pamphlet to the Office of State Printing for preparation not less than 40 days before the date the Secretary of State is required to provide the pamphlets to the county elections officials.*

*This bill, for purposes of the November 4, 2014, statewide general election, would instead require that the Secretary of State provide the state ballot pamphlets to the county elections officials on the 43rd day before the election, and would require that the state ballot pamphlets be mailed to voters commencing on the 38th day before the election. In addition, this bill would require that the Secretary of State furnish a copy of the state ballot pamphlet to the Office of State Printing for preparation on the 40th day before the date the Secretary of State is required to provide the pamphlets to the county elections officials.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

~~The existing restructuring of the electrical industry within the Public Utilities Act provides for the establishment of an Independent System Operator and a Power Exchange as nonprofit public benefit corporations. Existing law requires the Independent System Operator, within 6 months after receiving approval for its operation by the Federal Energy Regulatory Commission, to provide a report to the Legislature and the Electricity Oversight Board containing specified matter.~~

~~This bill would repeal this reporting requirement.~~

~~Electrical restructuring makes legislative findings and declarations in order to provide guidance to the Public Utilities Commission in carrying out restructuring.~~

~~This bill repeals those legislative findings and declarations.~~

~~In addition to establishing the Independent System Operator and the Power Exchange, electrical restructuring established an Electricity Oversight Board (Oversight Board) to oversee the Independent System Operator and the Power Exchange in order to ensure the success of electrical restructuring and to ensure a reliable supply of electricity in the transition to a new market structure.~~

~~This bill abolishes the Oversight Board and Power Exchange.~~

~~Electrical restructuring states the intent of the Legislature that individual customers not experience rate increases as a result of the allocation of transition costs, as specified, and requires the Public~~

~~Utilities Commission to implement a methodology for calculating certain Power Exchange energy credits.~~

~~This bill would repeal this provision.~~

~~Electrical restructuring required the commission to identify and determine those costs and categories of costs for generation-related assets and obligations that were being collected in commission-approved rates on December 20, 1995, that might become uneconomic as a result of a competitive generation market. Electrical restructuring requires each electrical corporation to propose a cost recovery plan to the commission for the recovery of the uneconomic costs of an electrical corporation's generation-related assets and obligations, requires that the plan contain specified matter, and requires that the plan set rates for each customer class, rate schedule, contract, or tariff option, at levels equal to the level as shown on electric rate schedules as of June 10, 1996, provided that rates for residential and small commercial customers be reduced so that these customers receive rate reductions of no less than 10% for 1998 continuing through 2002. Electrical restructuring prohibits the commission, upon the termination of the 10% rate reduction for residential and small commercial customers, from subjecting those residential and small commercial customers to any rate increase or future rate obligations solely as a result of the termination of the 10% rate reduction. Electrical restructuring authorizes an electrical corporation to apply to the commission for a determination that certain transition costs, as defined, may be recovered through fixed transition amounts, which constitute transition property, as defined, and provides, until December 31, 2015, for the issuance of financing orders by the commission, and provides for the issuance of rate reduction bonds utilizing the California Infrastructure and Economic Development Bank, to be repaid out of rates.~~

~~This bill would repeal these provisions.~~

~~Electrical restructuring requires the commission to establish an effective mechanism that ensures recovery of specified transition costs from all existing and future consumers in the service territory in which the utility provided electricity services as of December 20, 1995, except that the costs shall not be recoverable for new customer load or incremental load of an existing customer where the load is being met through a direct transaction and the transaction does not otherwise require the use of transmission or distribution facilities owned by the utility.~~

~~This bill would provide that competition transition charges that are authorized by the commission prior to January 1, 2015, continue to apply to all existing and future consumers in the service territory in which the utility provided electricity services as of December 20, 1995, subject to the exception described above.~~

~~Electrical restructuring directed the commission to authorize direct transactions between electricity suppliers and end-use customers, subject to implementation of nonbypassable charges, as specified. Other provisions reference these charges as a nonbypassable charge, while other provisions reference these charges as an obligation to pay uneconomic costs, as specified.~~

~~This bill would replace the various references to the specified statutory charges with “competition transition charges.”~~

~~Electrical restructuring requires any electrical corporation serving agricultural customers with multiple meters to conduct research based on a statistically valid sample of those customers and meters to determine the typical simultaneous peak load of those customers and to report the results to those customers and the commission by July 1, 2001. Electrical restructuring requires the commission to consider the research results in setting future electrical distribution rates for those customers.~~

~~This bill would repeal this provision.~~

~~Electrical restructuring requires the commission to allow recovery of reasonable employee related transition costs incurred and projected for severance, retraining, early retirement, outplacement, and related expenses for the employees in order to mitigate potential negative impacts on utility personnel directly affected by restructuring.~~

~~This bill would repeal this provision.~~

~~Existing law requires, for an electric generating facility sold by an electrical corporation in a transaction initiated prior to December 31, 2001, and approved by the commission by December 31, 2002, that the selling utility contract with the purchaser for the selling utility, an affiliate, or a successor corporation to operate and maintain the facility for at least 2 years, and authorizes the commission to require these conditions for transactions initiated on or after January 1, 2002.~~

~~This bill would repeal this provision.~~

~~Existing law, enacted as part of restructuring, prescribes how energy prices paid to nonutility electrical generators, known as qualifying facilities under federal law, by an electrical corporation based on the commission’s “short run avoided cost energy methodology” are to be~~

determined, subject to applicable contractual terms. Existing law authorizes a nonutility electrical generator using renewable fuels that entered into a contract with an electrical corporation prior to December 31, 2001, specifying fixed energy prices for 5 years of electrical output to negotiate a contract of an additional 5 years of fixed energy payments upon expiration of the initial 5-year term, at a price to be determined by the commission.

This bill would repeal this provision.

This bill would repeal a provision authorizing an electrical corporation that was also a gas corporation that served fewer than 4,000,000 customers as of December 20, 1995, to file a rate cap mechanism that includes a Fuel Price Index Mechanism, as specified, which authorization became inoperative on December 31, 2001.

This bill would strike references to these repealed statutes:

Vote: majority <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: ~~yes~~ no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. All of the following shall apply to the November
- 2     4, 2014, statewide general election:
- 3     (a) Notwithstanding Section 9082 of the Elections Code, the
- 4     Secretary of State shall furnish to the Office of State Printing copy
- 5     for preparation of the state ballot pamphlets on the 40th day prior
- 6     to the date for required delivery to the county elections officials
- 7     as provided in subdivision (c).
- 8     (b) Notwithstanding subdivision (a) of Section 9094 of the
- 9     Elections Code, the Secretary of State shall commence mailing the
- 10    state ballot pamphlets to the voters on the 38th day prior to the
- 11    election.
- 12    (c) Notwithstanding subdivision (b) of Section 9094 of the
- 13    Elections Code, the Secretary of State shall furnish state ballot
- 14    pamphlets to the county elections officials on the 43rd day prior
- 15    to the election, and the county elections officials shall commence
- 16    mailing the state ballot pamphlets to voters on the date specified
- 17    in subdivision (b).
- 18    SEC. 2. This act is an urgency statute necessary for the
- 19    immediate preservation of the public peace, health, or safety within
- 20    the meaning of Article IV of the Constitution and shall go into
- 21    immediate effect. The facts constituting the necessity are:

1    *To ensure that the state ballot pamphlet for the November 4,*  
2    *2014, statewide general election accurately reflects the ballot*  
3    *measures that will be submitted to the voters of the state at that*  
4    *election, it is necessary that this act take immediate effect.*

5  
6  
7    **All matter omitted in this version of the bill**  
8    **appears in the bill as amended in the**  
9    **Assembly June 18, 2014. (JR11)**  
10